

# the deferred word

FOURTH QUARTER | 2020



**Nevada**  
Deferred  
Compensation

**QUICK LINKS >>**

**New to the Plan**

**Actively Participating**

**Nearing Retirement**

## What's New?

As we welcome the winter season and the New Year begins, the **Nevada Public Employees' Deferred Compensation Program (NDC)** prepares to

implement some exciting new enhancements and benefits to participants to help you ***NV your retirement.***

## **IMPORTANT Plan News: Our General/Fixed Account crediting rate continues stand strong throughout 2021**

The State of Nevada Deferred Compensation Committee and Administration is pleased to announce that the crediting rate of the Stable Value/General Account investment option, the Voya Fixed Account - 457/401 II, continues to stay at **3.10%**. This will remain the declared minimum guaranteed rate for the 2021 calendar year. Guarantees are based on the claims paying ability of Voya Retirement Insurance and Annuity Company.

## **Get ready to receive and review your personal Retirement Evaluation from Your Retirement Advisors (VRA)**

All NDC participants will soon receive a personalized Retirement Evaluation by mail. The annual Evaluation is designed to help participants stay on track for retirement and learn where they stand now and what they can do in the future to achieve their retirement goals. Beginning this quarter, you will receive communications authorized and created by Nevada Deferred Compensation to help project your retirement readiness. All NDC participants can further customize their retirement evaluation by adding information from other outside accounts such

as NV PERS, Social Security benefits, IRAs, and retirement plan accounts from former employers. Simply log into your account at [nevada.beready2retire.com](http://nevada.beready2retire.com) and choose the “Let’s talk about your other retirement savings and income” dropdown above the orange dollar button. The more information about all of your outside pension and retirement accounts you choose to input, the better your retirement income estimates and evaluation will be. We are very excited about this brand-new feature to help all NDC participants plan for their retirement.

In addition to the annual Retirement Evaluation, we will be introducing our new Investment Advice Programs offered through Voya Retirement Advisors (VRA) and powered by Financial Engines. These great services are available for all NDC participants to utilize. Option #1 allows NDC participants to receive Online Advice for FREE (at no additional charge)! This option is great for the participants who want to take an active role in controlling their own investments by utilizing the free online Financial Engines tools. Participants can also get FREE investment advice by calling and speaking to a VRA Investment Advisor for assistance weekdays through the NDC Plan Information Line. Option #2 allows for NDC participants to experience Professional Management of their NDC account for a minimal additional annual fee of 0.50%. This option is great for those who seek full professional advisory service of their NDC account. Voya Retirement Advisors will create a personalized retirement strategy for you, select and manage your investment mix using funds offered in our Plan, and provide ongoing management of your account to keep you on track by adjusting your asset allocation for you to and through retirement.

## **Optional SECURE Act provision adopted by NDC Committee**

At its December 1st Quarterly Committee meeting, the NDC Committee voted to adopt an optional SECURE Act provision. Beginning sometime in 2021, NDC participants will be permitted to take up to a \$5,000 in-service distribution to assist them with a qualified birth adoption.

***In closing, we wish you and your family a Happy New Year from all of us here at the Nevada Public Employees' Deferred Compensation Program (NDC).***

*Advisory Services provided by Voya Retirement Advisors, LLC (VRA). VRA is a member of the Voya Financial (Voya) family companies. For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory Services Agreement and your plan's Fact Sheet. You may also request these from a VRA Investment Advisor Representative by calling 866.373.5338. Financial Engines Advisors LLC (FEA/Financial Engines) acts as a subadvisor for Voya Retirement Advisors. Financial Engines Advisors LLC (FEA) is a federally registered investment advisor and wholly owned subsidiary of Edelman Financial Engines LLC. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant and if you need legal advice consult your lawyer. Future results are not guaranteed by VRA, FEA or any other party and past performance is no guarantee of future results.*

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## NEW TO THE PLAN

# Saving with pre-tax dollars costs less than you think

The thought of saving more for retirement may seem challenging. With so much retirement somewhere out there in the future, sometimes it just doesn't seem like a reduction of our pay and that keeps us from saving enough for the future.

Besides cutting expenses or controlling your spending, there are two things you can do to increase your savings - either earn more or keep more of what you've earned. It may surprise you to know when you contribute pre-tax dollars to your retirement savings automatically, it costs you less than you think.

Think of it this way — when you save more pre-tax dollars, more of your money can stay working for you.

Every dollar you contribute before taxes can reduce your taxable income, which means you pay less in income taxes. For example, let's say you normally pay a combined tax rate of 2

For every \$100 you contribute in pre-tax pay, you have \$100 less in taxable income to claim while impacting your take home pay by only \$72. Taxes are generally due upon withdrawal from tax-deferred assets and early withdrawal penalties may apply to withdrawals taken from certain types of retirement plans prior to age 59½.

While saving more of your pre-tax earnings, you can also enjoy other savings benefits like putting time on your side. Investing tax-deferred over a longer period of time allows you to take advantage of compounding. This means contributions and any earnings stay in your account without being taxed, to potentially earn even more and grow over time.

You can also learn from filing your taxes each year. If you regularly get a tax refund from the IRS, think of it as giving an interest free loan to the government for the year. Take that money back and put it to work for you all year long. Consider adjusting your W-2 as you save more for retirement to help keep from overpaying your taxes. Please consult with your tax advisor for more guidance.

The simple strategy to save more of your pre-tax salary has many benefits besides helping you achieve your retirement savings goals. When you're ready to increase your savings to the Nevada Deferred Compensation Program, State of Nevada and Political Subdivision employees can visit [defcomp.nv.gov](http://defcomp.nv.gov) to download and complete a *Payroll Contribution Form*. NSHE employees can visit WorkDay to make savings changes. Your change will be made effective the first payroll period of the month following the date it is received and processed by the payroll department.

department.

**ACTIVELY PARTICIPATING IN THE PLAN**

## 2021 contribution limits and RMD reminder

It's a good idea to think about maximizing your savings in 2021. Even if you want to know what you can contribute this year and when those required mir part of your retirement income planning.

### So what's new for 2021?

Here is the amount you can contribute to your retirement plan in 2021.

#### Contribution Limit for 401k/403b/457 plans

\$19,500

#### Catch-up contribution 50+\*

\$6,500

*\*Note — If you participate in a 457(b) plan, the Age 50+ Catch-up is only available if the plan is sponsored by a government. You may be eligible for the Special 457 Catch-up, if you are a participant in a governmental 457(b) plan and you are eligible ups in the same year, the Internal Revenue Code only permits you to use the catch-up that lets you contribute the greater ai*

*If you are a 403(b) participant who is eligible for both the 15 Years of Catch-Up and the Age 50+ Catch-Up in the same year, Revenue Code requires that you first contribute the maximum permitted under that year's 15 Years of Service Catch-Up bef contributing under the Age 50+ Catch-Up.*



## If you wish to contribute to traditional and Roth IRA:

### Contribution limit for IRA\*\*

\$6,000

### Catch-up contribution 50+\*

\$1,000

*\*\*Contributions to all traditional IRAs and Roth IRAs of an individual are aggregated for purposes of the IRA contribution limit.*

## RMDs: Good news for savers

On December 20, 2019, President Trump signed into law the *Setting Every Community Up for Retirement Enhancement (SECURE) Act* and included a number of retirement savings and employee benefit changes. Among those changes was an increase in the age for required minimum distributions for plan participants in 401(a), 401(k), 403(b), and 457(b) plans and traditional IRA owners if the individual had not already turned age 70 by June 30, 2019.

The new age at which a retired participant must begin taking RMDs generally is now age 72 (special rules apply for participants who have at least a 5% ownership interest in the employer sponsoring the retirement plan). Similarly, the new age for owners of traditional IRAs to begin taking RMDs is age 72. This will leave more time for individuals to reach their savings goals. If a person turned age 70½ in 2019 or earlier, the new RMD starting age does not apply to him or her.

her even if distributions were deferred to April 1, 2020. Note that the *Coronavirus Aid, Reli and Economic Security (CARES) Act* waived the obligation for such individual to take a RMD for the 2020 tax year and to take the RMD for the 2019 tax year if the individual had not yet taken that RMD in 2019 and would have been required to do so no later than April 1, 2020.

For more information about the IRS contribution limits for 2021 or the RMD changes as a result of the SECURE Act, please call the NDC Plan Information Line toll-free **(855) GO-RET-NV** (467-3868) weekdays from 5:00 a.m. to 6:00 p.m., PT., except on stock market holidays.

## NEARING RETIREMENT

### It may be time for your financial checkup

Most of us have a vision of our best retirement. As priorities in life change, it's time to review your retirement planning strategy and NDC account to see if you are on track. Help us do on your way to a healthier retirement.

#### PLAN

##### **Check if you can replace at least 70% of your current income in retirement**

Visit [nevada.beready2retire.com](http://nevada.beready2retire.com) to log in to your NDC account and use the myOrangeMor interactive educational online experience. It will show you how your current retirement savings may translate into future monthly income in retirement. Remember to periodically check back to see if you are on track.

##### **Measure your financial health**

Log in to your account and click *Financial Wellness* to take a quick interactive financial wellness

assessment to learn where to improve your money habits and take the next best steps to get well fast.

## **INVEST**

### **Manage your investments as you age**

When is the last time you checked your asset allocation? Are your investments still aligned with your age and investment horizon? Be sure to periodically review your investments, especially if you are near retirement.

### **Catch-up if you can**

If you are 50-years or older, consider taking advantage of annual catch-up contributions that allow you to defer an additional \$6,500 for retirement savings into your NDC account in 2021. Visit [voya.com/irslimits](https://voya.com/irslimits) for more information about the IRS contributions limits for the year.

## **PROTECT**

### **Keep your account secure**

Practice safe cyber habits, register your account for online access, and log in regularly to monitor your account. This will protect your account under Voya's S.A.F.E. Guarantee program and enable Voya, the NDC's contracted recordkeeper, to restore the value of your account should there be any unauthorized activity warrant it.

## **Pitch the paper and help the planet**

Log in to your account and go to *My Profile > Communication Preferences* to provide an e address and update your communication preferences for electronic statements and notifications so you can help save the environment while you save for retirement.

**Start the New Year right.** Log into your account today.

*IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions relating to your individual tax situation.*

## **ENJOYING RETIREMENT**

### **You're still part of the family**

Whether you've just retired or have been enjoying retirement for some time, you're still part of the NDC family. You've earned your retirement savings and still have

of the Nevada Deferred Compensation Program. Nothing with your NDC account or employment status has changed. You continue to receive all of the institutional investment and service guarantees negotiated by the NDC Administration on your behalf at the same rates you can find in the retail market).

Now may be a great time to review your account with a financial professional to be sure your retirement planning strategy still aligns with your retirement goals. You may not be able to continue making contributions as an active employee, but you can continue to manage your investments to make sure they align with your investment profile and risk preference. As you need income in retirement, your account will be here for you. There are a number of distribution options available to help meet your financial needs. You don't have to take your balance in a lump sum distribution. There are a number of great benefits to keeping your money in the account. Your account balance still has the potential to grow based on investment performance, your money remains tax deferred to help keep your taxable income lower. We welcome you to reach out with us to stay in touch and continue utilizing all of your NDC benefits so you can make the most of your retirement.

We want to help. For account questions, please call the NDC Plan Information Line toll-free **(855) GO-RET-NV** (467-3868) weekdays from 5:00 a.m. to 6:00 p.m., PT., except on stock market holidays. To schedule an appointment to meet with your Voya local financial professional,

and review your personal retirement income strategy, please call **(775) 886-2402**. Financial professionals from Voya are located in Northern and Southern Nevada to help support all Nevada Deferred Compensation participants.

*Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC.*





# Nevada Public Employees' Deferred Compensation Program

**THE DEFERRED WORD** | Fourth Quarter 2020

Nevada Public Employees' Deferred Compensation Program (NDC)

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